

**TITLE 27 ENVIRONMENTAL PROTECTION**

**DIVISION 2. SOLID WASTE**

**SUBDIVISION 1. CONSOLIDATED REGULATIONS FOR TREATMENT, STORAGE, PROCESSING OR DISPOSAL OF SOLID WASTE**

**CHAPTER 6. FINANCIAL ASSURANCES AT SOLID WASTE FACILITIES AND AT WASTE MANAGEMENT UNITS FOR SOLID WASTE**

**SUBCHAPTER 1. DEFINITIONS FOR FINANCIAL ASSURANCE DEMONSTRATIONS AND REQUIREMENTS**

**§22200. CIWMB - Definitions**

(g) ~~(Reserved)~~ **"Cash plus marketable securities"** means all the cash plus marketable securities held by the local government on the last day of the fiscal year, excluding cash and marketable securities designated to satisfy past obligations such as pensions. Cash plus marketable securities form the numerator of the liquidity ratio.

(1) Cash and cash equivalents means bank deposits, very short-term debt securities, and money market funds.

(2) Marketable securities means interest or dividend bearing securities in the General Fund, Special Revenue Funds, Debt Service Fund, Enterprise Funds and Internal Service Funds, as reported on the comprehensive annual financial report's (CAFR's) Combined Balance Sheet and that are expected to be held for less than one year.

(3) Excluded from this definition are accounts receivable, retirement assets, real property, fixed assets, and other non-current assets, as well as any assets (including cash) in Capital Projects Funds.

(h) **"Comprehensive Annual Financial Report (CAFR)"** means annual financial report prepared by local governments.

(~~h~~i) **"Cumulative capacity filled"**

(~~i~~j) **"Current assets"**

(~~j~~k) **"Current closure cost estimate"**

(~~k~~l) **"Current liabilities"**

(~~l~~m) **"Current postclosure cost estimate"**

(n) **"Debt service"** means the amount of principal and interest due on a loan in the latest completed fiscal year. Annual debt service is the numerator of the debt service ratio. The debt service ratio provides an indicator of ability to meet financial obligations in a timely manner.

(1) Sum of amounts in any debt service category including bond principal, other debt principal, interest on bonds, interest on other debt in the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds.

(2) Debt service amounts are reported in the comprehensive annual financial report's (CAFR's) Combined Statement of Revenues, Expenditures and Changes in Fund Balances/Equity.

(3) Interest expense in Enterprise Funds and Internal Service Funds are reported on comprehensive annual financial report's (CAFR's) Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances.

(mo) "Enterprise fund"  
(np) "Excess coverage"  
(eq) "Federal entity"  
(pr) "Financial means test"  
(qs) "Financial reporting year"  
(rt) "Fully funded"  
(su) "Government securities"  
(tv) "Guarantee"  
(uw) "Guarantor"  
(vx) "Insurance"  
(wy) "Legal defense costs"  
(xz) "Letter of credit"  
(yaa) "Liabilities"  
(zbb) "Minimum fund balance"  
(aacc) "Mobile equipment"  
(bdd) "Net working capital"  
(eeee) "Net worth"

(ff) "Operating deficit" means total expenditures minus total revenues.

(edgg) "Parent corporation"  
(eehh) "(Reserved)"  
(ffii) "Pledge of revenue"  
(ggjj) "Primary coverage"  
(hhkk) "Property damage"  
(iill) "Provider of financial assurance"  
(jjmm) "Remaining cost estimate"  
(kknn) "Remaining permitted capacity"  
(lloo) "Substantial business relationship"  
(mmpp) "Surety bond"  
(nnqq) "Tangible net worth"

(rr) "Total expenditures" means the sum of the six items listed in subsections (1) and (2) below.

(1) Items 1-3 reported on the comprehensive annual financial report's (CAFR's) Combined Statement of Revenues, Expenses and Changes in Fund Balances/Equity:

(A) Total Expenditures of the General Fund.

(B) Total Expenditures of Special Revenue Funds.

(C) Total Expenditures of the Debt Service Fund.

(2) Items 4-6 reported on the comprehensive annual financial report's (CAFR's) Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances:

(A) Total Operating Expenses Before Depreciation of Enterprise Funds

(B) If negative, Total Non-Operating Revenues (Net) of Enterprise Funds.

(C) If negative, Total Non-Operating Revenues (Net) of Internal Service Funds.

(3) Total expenditures is used in the liquidity and debt service ratios, and operating deficit limit.

(4) Include routine capital outlays that are accounted for in the General Fund, e.g. outlays for police vehicles, copy equipment; any capital outlays that are funded on a "pay-as-you-go" basis.

(5) Exclude non-routine capital outlays, which are generally accounted for in Capital Projects Funds.

(~~ess~~) "Total permitted capacity"

(tt) "Total revenues" means the sum of the seven items listed in subsections (1) and (2) below, and is used in the calculation of costs which can be assured by the local government financial test.

(1) Items 1-4 reported on the comprehensive annual financial report's (CAFR's) Combined Statement of Revenues, Expenses and Changes in Fund Balances/Equity:

(A) Total Revenues of the General Fund.

(B) Total Revenues of Special Revenue Funds.

(C) Total Revenues of the Debt Service Fund.

(D) Total Revenues of Capital Projects Funds.

(2) Items 5-7 reported on the comprehensive annual financial report's (CAFR's) Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances:

(A) Total Operating Revenues of Enterprise Funds.

(B) If positive, Total Non-Operating Revenues (Net) of Enterprise Funds.

(C) If positive, Total Non-Operating Revenues (Net) of Internal Service Funds.

(3) Total revenues is used in calculation of operating deficit and the limit on costs.

(ppuu) "Trust fund"

Authority cited: Sections 40502 and 43601.5, Public Resources Code.  
References: Sections 43500 through 43610.1, Public Resources Code,  
Part 258.74(f) and (h), Title 40 Code of Federal Regulations.

### **SUBCHAPTER 3. ALLOWABLE MECHANISMS**

#### **ARTICLE 1. CIWMB - GENERAL REQUIREMENTS FOR MECHANISMS**

##### **\$22228. CIWMB - Acceptable Mechanisms and Combination of Mechanisms**

(a)

(10) ~~\$22249~~~~[Reserved]~~, Local Government Financial Test;

(11) ~~\$22249.5~~, Local Government Guarantee;

~~(11)12~~ ~~\$22250~~, Federal Certification;

~~(12)13~~ ~~\$22251~~, Liability Insurance;

~~(13)14~~ ~~\$22252~~, Self-Insurance and Risk Management;

~~(14)15~~ ~~\$22253~~, Insurance and Environmental Fund; and

~~(15)16~~ ~~\$22254~~, State Approved Mechanism.

(e) The enterprise fund, government securities, local government financial test, and self-insurance and risk management mechanisms are acceptable only for disposal facilities operated by government agencies. A local government guarantee and a pledge of revenue may be used by an operator or provider of financial assurances that is a government agency for a disposal facility to demonstrate financial responsibility for postclosure maintenance and/or corrective actions.

(f) An operator shall not combine a performance bond or a performance local government guarantee with any other mechanism(s) for closure, for postclosure maintenance, or for corrective action.

(k) A government agency may provide a local government guarantee for a disposal facility of another government agency or private company.

Authority cited: Sections 40502 and 43601.5, Public Resources Code.  
References: Sections 43500 through 43610.1, Public Resources Code,  
Part 258.74(f) and (h), Title 40 Code of Federal Regulations.

**\$22233. CIWMB - Record Keeping and Reporting.**

(b)  
(11) Local Government Financial Test. An operator using a local government financial test shall maintain a copy of the information specified in \$22249.

(12) Local Government Guarantee. An operator using a guarantee shall maintain documentation of the guarantor's qualifications for providing a guarantee under \$22249 and \$22249.5.

Authority cited: Sections 40502 and 43601.5, Public Resources Code.  
References: Sections 43500 through 43610.1, Public Resources Code,  
Part 258.74(f) and (h), Title 40 Code of Federal Regulations.

**ARTICLE 2. CIWMB - FINANCIAL ASSURANCE MECHANISMS**

**\$22249. ~~[Reserved by CIWMB.]~~ CIWMB - Local Government Financial Test. (new)**

(a) To pass the local government financial test, and to demonstrate financial responsibility for postclosure maintenance and/or corrective action costs, an operator or a guarantor shall be a local government agency and shall meet the criteria of sections (e), (f), (i) and (j) based on financial statements prepared in conformity with Generally Accepted Accounting Principles for governments and have its financial statements audited by an independent certified public accountant.

(b) A local government is not eligible to assure its obligations under section 22249 if it:

(1) Is currently in default on any outstanding general obligation bonds, or

(2) Has any outstanding general obligation bonds rated lower than Baa as issued by Moody's or BBB as issued by Standard and Poor's, or

(3) Has operated at a deficit equal to five percent or more of total annual revenue in each of the past two fiscal years, or

(4) Receives an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent certified public accountant auditing its financial statement as required by section (a).

(c) The phrase "current postclosure maintenance cost estimates covered by the test" refers to the current postclosure maintenance cost estimate required by section (j)(1) to be shown in paragraphs 1 and 2 of the letter from the chief financial officer.

(d) The phrase "current corrective action cost estimates covered by the test" refers to the current corrective action cost estimate required by section (j)(1) to be shown in paragraphs 1 and 2 of the letter from the chief financial officer.

(e) The total amount of postclosure maintenance costs and corrective action costs which can be assured under this local government financial test is determined as follows:

(1) If the local government operator or guarantor does not assure other environmental obligations through a financial test, it may assure postclosure maintenance costs and/or corrective action costs that equal up to 43 percent of the local government's total annual revenue.

(2) If the local government operator or guarantor assures other environmental obligations through a financial test, including but not limited to those associated with underground injection control wells, petroleum underground storage tank facilities, PCB storage facilities, and hazardous waste treatment, storage, and disposal facilities, it must add those costs to the postclosure maintenance costs and/or corrective action costs it seeks to assure. The total that may be assured must not exceed 43 percent of the local government's or guarantor's total annual revenue.

(3) The operator or guarantor must obtain an alternate financial assurance instrument for those costs that exceed the limits set in (1) and (2).

(f) The operator or guarantor shall meet the criteria of either section (g) or (h) based on the operator's or guarantor's most recent audited annual financial statements prepared in conformity with Generally Accepted Accounting Principles for governments.

(g) The operator or guarantor shall satisfy each of the following financial ratios based on the operator's or guarantor's most recent audited annual financial statements prepared in conformity with Generally Accepted Accounting Principles for governments:

(1) Liquidity ratio: a ratio of cash plus marketable securities to total expenditures greater than or equal to 0.05; and

(2) Debt service ratio: a ratio of annual debt service to total expenditures less than or equal to 0.20; or

(h) An operator or guarantor with outstanding, rated, general obligation bonds that are not secured by insurance, a letter of credit, or other collateral or guarantee must have such bonds with current investment grade rating as follows:

(1) Aaa, Aa, A or Baa, as issued by Moody's on all such general obligation bonds; or

(2) AAA, AA, A, or BBB, as issued by Standard and Poor's on all such general obligation bonds.

(i) The operator or guarantor shall provide public notice of the local government's assured obligations by placing a reference to the postclosure maintenance costs and/or corrective action costs assured through the financial test into its next comprehensive annual financial report (CAFR). If timing does not permit the reference to be incorporated into the most recently issued CAFR or budget prior to the first year the financial test is used to assure local government solid waste facility obligations, the reference may instead be placed in the operating record until issuance of the next available CAFR. The operator shall certify that the reference to the postclosure maintenance costs and/or corrective action costs assured through the financial test is provided. The operator's certification shall be submitted with the chief financial officer letter as specified in section (j)(2).

(1) For postclosure maintenance costs, conformance with Government Accounting Standards Board (GASB) Statement 18 assures compliance with this public notice requirement.

(2) The following, including the GASB requirements, shall be disclosed:

(A) The nature and source of requirements for those obligations assured by the local government financial test including postclosure maintenance costs and/or corrective action costs; and

(B) Postclosure maintenance costs recognized at the balance sheet date; and

(C) Estimated postclosure maintenance costs remaining to be recognized; and

(D) Percentage of landfill capacity used to date, as of the end of the latest completed fiscal year; and

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(E) Remaining landfill capacity reported in cubic yards or tons as of the end of the latest completed fiscal year; and

(F) Estimated remaining useful landfill life in years; and

(G) Corrective action costs. The reference shall be placed in the CAFR not later than 120 days after the corrective action remedy has been selected as required under Article 1, Subchapter 3, Chapter 3 (section 20380 et seq.).

(j) Within 180 days after the close of each financial reporting year, the operator or guarantor shall submit the following items to the CIWMB and, in the case of a guarantor also, to the operator;

(1) A letter on the local government's letterhead stationary that is worded and completed as specified in Form CIWMB 112 (6/97) which contains an original signature of the local government's chief financial officer. An operator or guarantor shall use Form CIWMB 112 (6/97) to demonstrate or guarantee financial responsibility for postclosure maintenance costs and/or corrective action costs.

(A) If the operator or guarantor is using a similar financial test to demonstrate postclosure maintenance costs and/or corrective action costs for other environmental obligations including but not limited to those associated with underground injection control wells, petroleum underground storage tank facilities, PCB storage facilities, and hazardous waste treatment, storage, and disposal facilities, the operator or guarantor shall list those facilities, as well as the solid waste facility obligations it seeks to assure.

(2) A letter from the local government's treasurer or auditor-controller certifying the relative size (43%) threshold as specified in section (e), and the public notice requirement as specified in section (i) have been satisfied.

(3) A copy of an independent certified public accountant's report on examination of the operator's or guarantor's financial statements for the latest completed fiscal year, with a copy of the operator's or guarantor's financial statements for the latest completed fiscal year.

(A) An unqualified opinion of the independent certified public accountant is required.

(B) Local governments that have audits conducted only once every two years due to state law, may use the latest annual statement, audited or unaudited, provided that the most recent audit resulted in an unqualified opinion from the auditor.



(4) A letter from an independent certified public accountant that performed the audit stating that:

(A) He or she has reviewed the letter required by section (j)(1) from the chief financial officer including data derived from the financial statements for the latest completed fiscal year of the operator or the guarantor, and compared the data with the amounts in the financial statements; and

(B) Based on the comparison, no matters came to his or her attention that caused him or her to believe that the specified data should be adjusted.

(5) A copy of the comprehensive annual financial report (CAFR) used to comply with section (i) or certification by the local government's treasurer or auditor-controller that the requirements of General Accounting Standards Board Statement 18 have been met.

(6) A copy of the bond rating on the bond rating service's letterhead stationery.

(k) The CIWMB may require updated financial statements at any time from the operator or guarantor. If the CIWMB finds that the operator or guarantor no longer meets the local government financial test requirements of sections (g) or (h), the operator shall obtain alternate coverage within 60 days after receiving the notification of such a finding.

(l) If, when preparing its annual update, an operator using the local government financial test fails to meet the requirements of the financial test under sections (g) or (h), the operator shall obtain alternate coverage within 210 days after the close of the financial reporting year.

(m) If the operator fails to obtain alternate coverage within the times specified in sections (k) or (l), the operator shall notify the CIWMB by certified mail within 10 business days of such failure.

(n) A local government financial test may be combined with another payment mechanism to assure the amount of required coverage specified in sections 22211 and 22221 of Subchapter 2.

**Authority cited: Sections 40502 and 43601.5, Public Resources Code.**  
**References: Sections 43500 through 43610.1, Public Resources Code,**  
**Part 258.74(f) and (h), Title 40 Code of Federal Regulations.**

**22249.5. CIWMB - Local Government Guarantee. (new)**

(a) The guarantor shall be a local government which meets the requirements of the Local Government Financial Test under section 22249 of this Article based on the guarantor's audited year-end financial statements.

(b) The guarantee shall be worded and completed as specified by form CIWMB 113(6/97), which is incorporated by reference.

(c) When the guarantee specifies coverage for postclosure maintenance costs, the terms shall also specify:

(1) If the operator fails to perform postclosure maintenance in accordance with the applicable approved postclosure maintenance plan when required to do so, the guarantor shall either:

(A) Perform, or pay a third party to perform, postclosure maintenance in accordance with the applicable approved postclosure maintenance plan; or

(B) Establish and fund a trust fund as specified in section 22240 of this Article, in the name of the operator in the amount of the applicable current postclosure maintenance cost estimate covered by the guarantee; and/or

(d) When the guarantee specifies coverage for corrective action costs, the terms shall also specify:

(1) If the operator fails to perform corrective action in accordance with the applicable approved corrective action plan when required to do so, the guarantor shall either:

(A) Perform, or pay a third party to perform, corrective action in accordance with the applicable approved corrective action plan; or

(B) Establish and fund a trust fund as specified in section 22240 of this Article, in the name of the operator in the amount of the applicable current corrective action cost estimate covered by the guarantee; and/or

(e) The guarantee will remain in force unless the guarantor fails to meet the requirements of sections 22249 and/or 22249.5 of this Article, or wishes to terminate the guarantee. Cancellation may not occur, however, during the 120 days beginning on the date of receipt of the notice of cancellation by both the operator and the CIWMB, as evidenced by return receipts.

(1) The guarantor shall send a notice of cancellation by certified mail to the operator, and the CIWMB, within 180 days after the end of that financial reporting year. The guarantee

shall terminate no less than 120 days after the date that the operator and the CIWMB received the notice of cancellation, as evidenced by the return receipts.

(2) If the guarantee is cancelled, the operator shall establish alternate assurance as specified in section 22228 of Article 1 of this Subchapter within 60 days after such notice.

(3) If the operator fails to provide alternate financial assurance:

(A) The operator shall send notice of such failure by certified mail to the guarantor, and the CIWMB, within the same 60 day period; and

(B) The guarantor must provide alternate assurance as specified in section 22228 of Article 1 of this Subchapter within 60 days after the date of the operator's notice.

(f) The CIWMB may require updated financial statements at any time from a guarantor. If the CIWMB finds that the guarantor no longer meets the local government financial test or guarantee requirements of sections 22249 and/or 22249.5 of this Article, the CIWMB shall notify the guarantor and operator of such finding by certified mail. If the CIWMB notifies the guarantor and the operator that the guarantee is no longer acceptable, the operator and guarantor shall comply with section 22249.5 (e) (2) and (3) of this Article.

(g) Only a guarantee for payment, rather than performance of work, may be combined with another payment mechanism to assure the amount of required coverage specified in sections 22206, 22211, 22216, and/or 22221 of Subchapter 2.

Authority cited: Sections 40502 and 43601.5, Public Resources Code.  
References: Sections 43500 through 43610.1, Public Resources Code,  
Part 258.74(f) and (h), Title 40 Code of Federal Regulations.

THIS PAGE INSTRUCTIONS ONLYLetter From the Chief Financial OfficerLocal Government Financial Test for Postclosure Maintenance and/or Corrective Action

(a) A letter from the chief financial officer, as specified in Title 27, California Code of Regulations (CCR), Division 2, Subdivision 1, Chapter 6, section 22249, shall be on the local government's letterhead stationery. It shall contain the original signature of the chief financial officer and shall be worded as indicated on the attached proforma Form CIWMB 112 (6/97).

(b) The letter from the chief financial officer shall be accompanied by the following items, as specified in 27 CCR section 22249.

- (1) A special letter from the local government's treasurer or auditor-controller certifying the relative size (43%) threshold and public notice requirements have been satisfied as specified in 27 CCR section 22249(e) and 22249(i)(2).
- (2) A copy of an independent certified public accountant's report on financial statements for the latest completed fiscal year.
- (3) A copy of the financial statements for the latest completed fiscal year.
- (4) A special report from the independent certified public accountant on the financial data in the letter as specified in 27 CCR section 22249(i)(4).
- (5) A copy of the comprehensive annual financial report (CAFR) used to comply with 27 CCR section 22249(i)(5) or certification by the local government's treasurer or auditor-controller that the requirements of General Accounting Standards Board Statement 18 have been met.
- (6) If applicable, a copy of the bond rating on the bond rating service's letterhead stationery.
- (7) If applicable, the guarantee with wording as specified in 27 CCR section 22249.5.

PRIVACY STATEMENT

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated Waste Management Board.

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated Waste Management Board, 8800 Cal Center Drive, Sacramento, CA 95826. Contact the Manager, Financial Assurances Section, at (916) 255-2200.

AUTHORITY: Public Resources Code section 43600 et seq.

PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.

REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated Waste Management Board, 8800 Cal Center Drive, Sacramento, CA 95826, (916) 255-2200.

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Executive Director  
California Integrated Waste Management Board  
8800 Cal Center Drive,  
Sacramento, CA 95826

I am the chief financial officer of \_\_\_\_\_ Local Government and Address \_\_\_\_\_

This letter is in support of the local government financial test or guarantee to demonstrate financial assurance, as specified in Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, section 22249.

[Fill out the following paragraphs with cost estimates for all solid waste landfills and for other environmental obligations that are assured through a financial test, including but not limited to costs associated with underground injection control wells, petroleum underground storage tank facilities, PCB storage facilities, and hazardous waste treatment, storage, and disposal facilities. If no facilities belong in a particular paragraph, write "None" in the space indicated. For each facility, include its solid waste information system or other identification number, name, address, and current closure and/or postclosure cost estimates, and/or corrective action costs. Identify each cost estimate separately as to whether it is for closure or postclosure maintenance cost estimates, or corrective action cost estimates. The California Integrated Waste Management Board (CIWMB) only allows demonstrations to the CIWMB for the costs of postclosure maintenance and corrective action, as specified in 27 CCR section 22249.]

1. This public agency is the operator or owner of the following facilities for which the firm is demonstrating financial assurance for postclosure maintenance and/or corrective action costs through the local government financial test specified in CCR section 22249, or financial assurance for closure and/or postclosure maintenance, and/or corrective action through similar financial tests specified in the laws of this state. The current closure and/or postclosure cost estimates, and/or corrective action costs covered by the tests are shown for each facility:

2. This public agency guarantees, through the guarantee for postclosure maintenance and/or corrective action specified in 27 CCR section 22249.5, or through similar guarantees for closure and/or postclosure maintenance, and/or corrective action specified in the laws of this state, the closure and/or postclosure maintenance and/or corrective action costs of the following facilities. The current closure and/or postclosure maintenance and/or corrective action cost estimates so guaranteed and the name and address of the operator are shown for each facility:

The fiscal year of this public agency ends on \_\_\_\_\_ Month, Day \_\_\_\_\_. The figures for the following items marked with an asterisk are derived from this public agency's independently audited, year-end financial statements for the latest completed fiscal year, ended \_\_\_\_\_ Date \_\_\_\_\_.

Use either Alternative I or Alternative II.

## ALTERNATIVE 1

**(Omit if using Alternative II)**

1. Specify amounts of coverage:
- |  | <u>Postclosure Maintenance Costs</u> | \$ _____ |
|--|--------------------------------------|----------|
|  | <u>Corrective Action Costs</u>       | \$ _____ |
|  | <u>TOTAL COSTS</u>                   | \$ _____ |
2. Is the local government currently in default on any outstanding general obligation bonds? ..... ☐ Yes ☐ No
3. Does the local government have any outstanding general obligation bonds rated lower than Baa by Moody's or BBB as issued by Standard and Poor's? ..... ☐ Yes ☐ No
4. Has the local government operated at a deficit equal to five percent or more of total annual revenue in each of the past two fiscal years? ..... ☐ Yes ☐ No
5. Has the local government received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent certified public accountant (or appropriate State agency) auditing its financial statement as required under §22249(a)? ..... ☐ Yes ☐ No

**If 2, 3, 4 or 5 = YES, STOP! The local government is NOT eligible to assure its obligations under §22249.**

**If 2,3,4, and 5 = NO, CONTINUE BELOW.**

- |              |   |          |  |
|--------------|---|----------|--|
| <u>6.</u>    | <u>Sum of costs assured under \$22249 (total of all costs shown above and including the two numbered paragraphs of the letter to CIWMB)</u> | ..... \$ |  |
| <u>* 7.</u>  | <u>Total annual revenue</u>   | ..... \$ |  |
| <u>* 8.</u>  | <u>Cash</u>   | ..... \$ |  |
| <u>* 9.</u>  | <u>Marketable securities</u>  | ..... \$ |  |
| <u>10.</u>   | <u>Sum of cash and marketable securities (line 8 + line 9)</u>  | ..... \$ |  |
| <u>* 11.</u> | <u>Total expenditures</u>   | ..... \$ |  |
| <u>* 12.</u> | <u>Annual debt service</u>  | ..... \$ |  |
| <u>13.</u>   | <u>43% Threshold Limit on Assured Costs:</u>  |          |  |
|              | <u>Is line 6 = 43% or less of line 7?</u>   | .....    | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <u>14.</u>   | <u>Liquidity Ratio:</u>   |          |  |
|              | <u>Is line 10 divided by line 11 greater than or equal to 0.05?</u>   | .....    | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <u>15.</u>   | <u>Debt Service Ratio:</u>  |          |  |
|              | <u>Is line 12 divided by line 11 less than or equal to 0.20?</u>  | .....    | <input type="checkbox"/> Yes <input type="checkbox"/> No |

I hereby certify that this letter is worded as specified by the California Integrated Waste Management Board and is being executed in accordance with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, section 22249.

**Typed or Printed Name**

Date \_\_\_\_\_

**ALTERNATIVE II**  
(Omit if using Alternative I)

1. Specify amounts of coverage:
- |  |                                      |          |
|--|--------------------------------------|----------|
|  | <u>Postclosure Maintenance Costs</u> | \$ _____ |
|  | <u>Corrective Action Costs</u>       | \$ _____ |
|  | <u>TOTAL COSTS</u>                   | \$ _____ |
2. Is the local government currently in default on any outstanding general obligation bonds? ☐ Yes ☐ No
3. Does the local government have any outstanding general obligation bonds rated lower than Baa by Moody's or BBB as issued by Standard and Poor's? ☐ Yes ☐ No
4. Does the local government have any outstanding, rated, general obligation bonds that are secured by insurance, a letter of credit, or other collateral or guarantee? ☐ Yes ☐ No
5. Has the local government operated at a deficit equal to five percent or more of total annual revenue in each of the past two fiscal years? ☐ Yes ☐ No
6. Has the local government received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent certified public accountant (or appropriate State agency) auditing its financial statement as required under §22249(a)? ☐ Yes ☐ No

**If 2, 3, 4, 5 or 6 = YES, STOP! The local government is NOT eligible to assure its obligations under §22249.**

**If 2,3,4,5 and 6 = NO, CONTINUE BELOW.**

7. Sum of costs assured under §22249 (total of all costs shown above and including the two numbered paragraphs of the letter to CIWMB) \$ \_\_\_\_\_
- \* 8. Total annual revenue \$ \_\_\_\_\_
9. 43% Threshold Limit on Assured Costs:  
Is line 7 = 43% or less of line 8? ☐ Yes ☐ No
10. Current bond rating of most recent issuance of this public agency and name of rating service. Attach bond rating documentation as specified in §22249(j)(6). \_\_\_\_\_
11. Date of issuance of bond \_\_\_\_\_
12. Date of maturity of bond \_\_\_\_\_

I hereby certify that this letter is worded as specified by the California Integrated Waste Management Board and is being executed in accordance with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, section 22249.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

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GUARANTEE

Shall be on local government's letterhead stationery. It shall  
also contain original signature of Guarantor and shall  
be worded as indicated on proforma form CIWMB 113(6/97)

Executive Director  
California Integrated Waste Management Board  
8800 Cal Center Drive  
Sacramento, CA 95826

Guarantee made this \_\_\_\_\_ Date \_\_\_\_\_ by \_\_\_\_\_ Name of Guaranteeing Entity \_\_\_\_\_, herein referred to as  
Guarantor, to the California Integrated Waste Management Board (CIWMB) obligee on behalf of  
Operator \_\_\_\_\_ of \_\_\_\_\_ Business Address \_\_\_\_\_

Recitals

1. Guarantor meets or exceeds the local government financial test criteria and agrees to comply with the reporting requirements for guarantors  
as specified in Title 27 California Code of Regulations (CCR), Division 2, Subdivision 1, Chapter 6, section 22249.5.

2. \_\_\_\_\_ Operator \_\_\_\_\_ operates the following solid waste facility(ies) covered by this  
guarantee. [List for each facility: solid waste information system number, name and address.]

3. "Postclosure plans" as used below refer to the plan maintained as required by Public Resources Code section 43503, for the postclosure  
maintenance of facilities as identified above.

4. "Corrective Action plans" as used below refer to the plan maintained as required by 27 CCR, Article 1, Subchapter 3, Chapter 3, sections  
20380 et. seq. for the facilities as identified above.

5. On behalf of \_\_\_\_\_ Operator \_\_\_\_\_, Guarantor guarantees to CIWMB that in the event that  
Operator \_\_\_\_\_ fails to perform postclosure maintenance and/or corrective action activities of the above facility(ies) in  
accordance with the postclosure plan and/or corrective action plan and other permit requirements, whenever required to do so, Guarantor shall do so or  
pay a third party to do so, or establish a trust fund as specified in 27 CCR section 22249.5, as applicable, in the name of  
Operator \_\_\_\_\_ in the amount of the applicable current postclosure and/or corrective action cost  
estimate.

6. Guarantor agrees that if at any time during or at the end of any fiscal year before termination of this guarantee the Guarantor fails to meet  
the local government financial test criteria, Guarantor shall send within 90 days, by either registered or certified mail, notice to CIWMB, and the  
Operator \_\_\_\_\_ of such failure and that the Guarantor intends to provide alternate financial assurance as specified in 27 CCR  
section 22249.5, as applicable, in the name of \_\_\_\_\_ Operator \_\_\_\_\_ if the \_\_\_\_\_ Operator \_\_\_\_\_ fails to  
obtain such assurance. Within 120 days after the date that the operator and the CIWMB received the notice of such failure or termination, Guarantor shall  
establish such alternate financial assurance in the name of \_\_\_\_\_ Operator \_\_\_\_\_ in the amount of the applicable current postclosure  
maintenance and/or corrective action cost estimate, unless \_\_\_\_\_ Operator \_\_\_\_\_ has done so.

7. Guarantor agrees to notify CIWMB and the \_\_\_\_\_ Operator \_\_\_\_\_ by either registered or certified mail of a voluntary or  
involuntary proceeding under the Bankruptcy Code, 11 U.S.C. Sections 101-1330, naming Guarantor as debtor within ten days after commencement of  
the proceeding.

8. Guarantor agrees that after being notified by the CIWMB of a determination that Guarantor no longer meets the local government financial  
test criteria or that the Guarantor is disallowed from continuing as a Guarantor of postclosure maintenance and/or corrective action the Guarantor shall  
establish alternate financial assurance as specified in sections 22249.5(e)(2) and (3) and section 22228, in the name of \_\_\_\_\_ Operator \_\_\_\_\_  
unless \_\_\_\_\_ Operator \_\_\_\_\_ has done so.

9. Guarantor agrees to remain bound under this guarantee notwithstanding any or all of the following: amendment or modification of the  
postclosure plan, amendment or modification of corrective action plan, amendment or modification of the permit, the extension or reduction of the time of

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performance of postclosure or any other modification or alteration of an obligation of the operator pursuant to Title 27, California Code of Regulations, Division 2, Subdivision 1.

10. Guarantor agrees to remain bound under this guarantee for so long as \_\_\_\_\_ Operator \_\_\_\_\_ must comply with the applicable financial assurance requirements for the above-listed facility(ies), except that Guarantor may cancel this guarantee by sending notice by registered or certified mail to CIWMB, and the \_\_\_\_\_ Operator \_\_\_\_\_. Such cancellation shall become effective no earlier than 120 days after receipt of such notice by CIWMB, and the \_\_\_\_\_ Operator \_\_\_\_\_, as evidenced by the return receipts.

11. Guarantor agrees that if \_\_\_\_\_ Operator \_\_\_\_\_ fails to provide alternate financial assurance as specified in 27 CCR sections 22249.5(e)(2) and (3) and section 22228 after a notice of cancellation by Guarantor is received from Guarantor by CIWMB, and the \_\_\_\_\_ Operator \_\_\_\_\_, Guarantor shall provide such alternate financial assurance in the name of \_\_\_\_\_ Operator \_\_\_\_\_ in the amount or the applicable current postclosure and/or corrective action cost estimate.

12. Guarantor expressly waives notice of acceptance of this guarantee by CIWMB or the \_\_\_\_\_ Operator \_\_\_\_\_. Guarantor also expressly waives notice of amendments or modifications of the postclosure and/or corrective action plan, and of amendments or modifications of the facility permit(s).

The parties below certify that this document is being executed in accordance with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6 section 22249.5.

Effective date: \_\_\_\_\_

\_\_\_\_\_  
Name of Guarantor

\_\_\_\_\_  
Authorized Signature of Guarantor

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\_\_\_\_\_  
Typed or Printed Name of Person Signing

\_\_\_\_\_  
Title of Person Signing

•

\_\_\_\_\_  
Signature of Witness or Notary and Seal

#### Privacy Statement

The Information Practices Act (California Civil Code Section 1798.17) and the Federal Privacy Act (5 U.S.C. 552a(e)(3)) require that this notice be provided when collecting personal information from individuals.

AGENCY REQUESTING INFORMATION: California Integrated Waste Management Board.

UNIT RESPONSIBLE FOR MAINTENANCE OF FORM: Financial Assurances Section, California Integrated Waste Management Board, 8800 Cal Center Drive, Sacramento, CA 95826. Contact the Manager, Financial Assurances Section, at (916) 255-2200.

AUTHORITY: Public Resources Code section 43600 et seq.

PURPOSE: The information provided will be used to verify adequate financial assurance of solid waste disposal facilities listed.

REQUIREMENT: Completion of this form is mandatory. The consequence of not completing this form is denial or revocation of a permit to operate a solid waste disposal facility.

OTHER INFORMATION: After review of this document, you may be requested to provide additional information regarding the acceptability of this mechanism.

ACCESS: Information provided in this form may be provided to the U.S. Environmental Protection Agency, State Attorney General, Air Resources Board, California Department of Toxic Substances Control, Energy Resources Conservation and Development Commission, Water Resources Control Board, and California Regional Water Quality Control Boards. For more information or access to your records, contact the California Integrated Waste Management Board, 8800 Cal Center Drive, Sacramento, CA 95826, (916) 255-2200.